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Message Text

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70
ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FEA-01 /098 W
---------- 070505
R 131200Z FEB 76
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 6497
INFO AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY THE HAGUE

C O N F I D E N T I A L KINSHASA 1323

E.O. 11652: GDS
TAGS: ENRG EINV CG US EALR
SUBJ: STATUS OF NEGOTIATIONS BETWEEN POL COMPANIES AND PETROZAIRE

REF: STATE 015334, KINSHASA 643 (NOTAL)

1. FEB 12 MOBIL REP DUBRULE GAVE EMBOFF FOLLOWING ACCOUNT OF STATUS OF NEGOTIATIONS BETWEEN NATIONALIZED PETROLEUM COMPANIES AND GOZ CONCERNING COMPENSATION AND GOZ OFFER OF RETURN OF 40 PERCENT EQUITY.

2. MOBIL HAS PRESENTED PROPOSAL TO PETROZAIRE WHEREBY MOBIL WILL RECEIVE 100 PERCENT OWNERSHIP OF ITS FORMERLY OWNED LUBRICATING PLANT, LUBRICATING DEPOT, SOLVENT DEPOT, HOUSING, AND AVIATION FACILITIES VALUED AT ZAIRES 2.74 MILLION PLUS CASH OF ZAIRES 2.05 MILLION, FOR A TOTAL OF ZAIRES 4.79 MILLION. IT HAS ALSO PRESENTED COMPENSATION CLAIM OF ZAIRES 7.06 MILLION FOR REMAINDER OF ITS NATIONALIZED ASSETS. INITIAL REACTION OF PETROZAIRE DIRECTOR TO MOBIL WAS FAVORABLE.

2. TEXACO: TEXACO HAS PRESENTED A PROPOSAL SIMILAR TO THAT OF MOBIL
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CONCERNING RETURN OF A PORTION AND COMPENSATION FOR THE REMAINDER

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OF ITS FORMERLY NATIONALIZED ASSETS.

4. PETROFINA: PETROFINA HAS PRESENTED A PROPOSAL NOT TO PETRO-
ZAIRE BUT TO SENIOR MEMBERS OF THE GOZ WHEREBY IT WOULD ESSENTIALLY
TAKE OVER THE MANAGEMENT OF THE PETROZAIRE COMPLEX. PETROZAIRE IS
OPPOSED TO SUCH A PROPOSAL.

5. SHELL: SHELL HAS NOT YET PRESENTED A PROPOSAL BUT IS EXPECTED
TO DO SO WITHIN THE NEXT TWO WEEKS.

6. MPEYE, PETROZAIRE DIRECTOR, TOLD DUBRULE THAT THE GOZ IS
WAITING FOR THE SHELL PROPOSAL BEFORE REPLYING TO ANY OF THE
PROPOSALS.

7. COMMENT: WE ARE ENCOURAGED BY PETROZAIRE'S INITIAL FAVORABLE
REACTION TO MOBIL'S PROPOSAL. HOWEVER, AS WE OBSERVED IN KINSHASA
REFTEL, THE COMPETITION BETWEEN THE INTERNATIONAL PETROLEUM COM-
PANIES FOR THE POTENTIALLY LUCRATIVE ZAIRIAN MARKET IS LIKELY TO
BE FIERCE.
WALKER

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To: STATE
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